

total of the face amounts of any United States savings bonds previously purchased for the member under this section.

(e) **TOTAL AMOUNT OF BENEFIT.**—The total amount of the benefit authorized for a member when United States savings bonds are purchased for the member under this section by reason of a commitment by that member shall be the sum of—

(1) the purchase price of the United States savings bonds; and

(2) the amounts that would be deducted and withheld for the payment of individual income taxes if the total amount computed under this subsection for that commitment were paid to the member as a bonus.

(f) **AMOUNT WITHHELD FOR TAXES.**—The total amount payable for a member under subsection (e)(2) for a commitment by that member shall be withheld, credited, and otherwise treated in the same manner as amounts deducted and withheld from the basic pay of the member.

(g) **REPAYMENT.**—If a person does not complete the qualifying service for which the person is obligated under a commitment for which a benefit has been paid under this section, the person shall be subject to the repayment provisions of section 303a(e) of this title.

(h) **RELATIONSHIP TO OTHER SPECIAL PAYS.**—The benefit authorized under this section is in addition to any other bonus or incentive or special pay that is paid or payable to a member under any other provision of this chapter for any portion of the same qualifying service.

(i) **REGULATIONS.**—This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Homeland Security for the Coast Guard when the Coast Guard is not operating as a service in the Navy.

(Added Pub. L. 107-107, div. A, title VI, §622(a)(1), Dec. 28, 2001, 115 Stat. 1140; amended Pub. L. 107-296, title XVII, §1704(c), Nov. 25, 2002, 116 Stat. 2314; Pub. L. 109-163, div. A, title VI, §687(b)(33), Jan. 6, 2006, 119 Stat. 3332.)

AMENDMENTS

2006—Subsec. (g). Pub. L. 109-163, amended heading and text of subsec. (g) generally, substituting provisions referring to repayment provisions of section 303a(e) for specific provisions relating to refunds required when person fails to complete qualifying service for which person is obligated under commitment for which benefit was paid.

2002—Subsec. (i). Pub. L. 107-296 substituted “of Homeland Security” for “of Transportation”.

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-296 effective on the date of transfer of the Coast Guard to the Department of Homeland Security, see section 1704(g) of Pub. L. 107-296, set out as a note under section 101 of Title 10, Armed Forces.

EFFECTIVE DATE

Pub. L. 107-107, div. A, title VI, §622(b), Dec. 28, 2001, 115 Stat. 1142, provided that: “Section 325 of title 37, United States Code, as added by subsection (a), shall apply with respect to reenlistments and other agreements for qualifying service, as described in that section, that are entered into on or after October 1, 2001.”

SAVINGS PROVISION

For savings provision relating to payment or repayment of any bonus, incentive pay, special pay, or similar pay obligated to be paid before Apr. 1, 2006, under a provision of this section amended by section 687(b) of Pub. L. 109-163, see section 687(f) of Pub. L. 109-163, set out as a note under section 510 of Title 10, Armed Forces.

§ 326. Incentive bonus: conversion to military occupational specialty to ease personnel shortage

(a) **INCENTIVE BONUS AUTHORIZED.**—The Secretary concerned may pay a bonus under this section to an eligible member of a regular or reserve component of the armed forces who executes a written agreement to convert to, and serve for a period of not less than three years in, a military occupational specialty for which there is a shortage of trained and qualified personnel.

(b) **ELIGIBLE MEMBERS.**—A member is eligible to enter into an agreement under subsection (a) if, at the time the agreement is executed, the member is serving in—

(1) pay grade E-6, with not more than 10 years of service computed under section 205 of this title; or

(2) pay grade E-5 or below, regardless of years of service.

(c) **AMOUNT AND PAYMENT OF BONUS.**—(1) A bonus under this section may not exceed \$4,000, in the case of a member of a regular component of the armed forces, and \$2,000, in the case of a member of a reserve component of the armed forces.

(2) A bonus payable under this section shall be disbursed in one lump sum when the member's conversion to the military occupational specialty is approved by the chief personnel officer of the regular or reserve component of the member's armed force.

(d) **RELATIONSHIP TO OTHER PAY AND ALLOWANCES.**—A bonus paid to a member under this section is in addition to any other pay and allowances to which the member is entitled.

(e) **REPAYMENT.**—A member who does not convert to and complete the period of service in the military occupational specialty specified in the agreement executed under subsection (a) shall be subject to the repayment provisions of section 303a(e) of this title.

(f) **REGULATIONS.**—The Secretaries concerned shall prescribe regulations to carry out this section. Regulations prescribed by the Secretary of a military department shall be subject to the approval of the Secretary of Defense.

(g) **TERMINATION OF AUTHORITY.**—No agreement under this section may be entered into after December 31, 2007.

(Added Pub. L. 108-136, div. A, title VI, §625(a), Nov. 24, 2003, 117 Stat. 1506; amended Pub. L. 108-375, div. A, title VI, §622, Oct. 28, 2004, 118 Stat. 1955; Pub. L. 109-163, div. A, title VI, §687(b)(34), Jan. 6, 2006, 119 Stat. 3333; Pub. L. 109-364, div. A, title VI, §614(g), Oct. 17, 2006, 120 Stat. 2249.)

AMENDMENTS

2006—Subsec. (e). Pub. L. 109-163, amended heading and text of subsec. (e) generally, substituting provi-

sions referring to repayment provisions of section 303a(e) for specific provisions relating to refunds required when member fails to serve in specified military occupational specialty for agreed upon period.

Subsec. (g). Pub. L. 109-364 substituted “December 31, 2007” for “December 31, 2006”.

2004—Subsec. (a). Pub. L. 108-375, §622(a)(1), inserted “of a regular or reserve component” after “an eligible member”.

Subsec. (b). Pub. L. 108-375, §622(a)(2), substituted comma for dash after “if”, struck out “(1) the member is entitled to basic pay; and” and par. (2) designation before “at the time”, and redesignated subpars. (A) and (B) of former par. (2) as pars. (1) and (2), respectively.

Subsec. (c)(1). Pub. L. 108-375, §622(b), inserted before period at end “, in the case of a member of a regular component of the armed forces, and \$2,000, in the case of a member of a reserve component of the armed forces”.

Subsec. (c)(2). Pub. L. 108-375, §622(a)(3), inserted “regular or reserve component of the” after “chief personnel officer of the”.

SAVINGS PROVISION

For savings provision relating to payment or repayment of any bonus, incentive pay, special pay, or similar pay obligated to be paid before Apr. 1, 2006, under a provision of this section amended by section 687(b) of Pub. L. 109-163, see section 687(f) of Pub. L. 109-163, set out as a note under section 510 of Title 10, Armed Forces.

§ 327. Incentive bonus: transfer between armed forces

(a) INCENTIVE BONUS AUTHORIZED.—A bonus under this section may be paid to an eligible member of a regular component or reserve component of an armed force who executes a written agreement—

(1) to transfer from such regular component or reserve component to a regular component or reserve component of another armed force; and

(2) to serve pursuant to such agreement for a period of not less than three years in the component to which transferred.

(b) ELIGIBLE MEMBERS.—A member is eligible to enter into an agreement under subsection (a) if, as of the date of the agreement, the member—

(1) has not failed to satisfactorily complete any term of enlistment in the armed forces;

(2) is eligible for reenlistment in the armed forces or, in the case of an officer, is eligible to continue in service in a regular or reserve component of the armed forces; and

(3) has fulfilled such requirements for transfer to the component of the armed force to which the member will transfer as the Secretary having jurisdiction over such armed force shall establish.

(c) LIMITATION.—A member may enter into an agreement under subsection (a) to transfer to a regular component or reserve component of another armed force only if the Secretary having jurisdiction over such armed force determines that there is shortage of trained and qualified personnel in such component.

(d) AMOUNT AND PAYMENT OF BONUS.—(1) A bonus under this section may not exceed \$10,000.

(2) A bonus under this section shall be paid by the Secretary having jurisdiction of the armed

force to which the member to be paid the bonus is transferring.

(3) A bonus under this section shall, at the election of the Secretary paying the bonus—

(A) be disbursed to the member in one lump sum when the transfer for which the bonus is paid is approved by the chief personnel officer of the armed force to which the member is transferring; or

(B) be paid to the member in annual installments in such amounts as may be determined by the Secretary paying the bonus.

(e) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—A bonus paid to a member under this section is in addition to any other pay and allowances to which the member is entitled.

(f) REPAYMENT.—A member who is paid a bonus under an agreement under this section and who, voluntarily or because of misconduct, fails to serve for the period covered by such agreement shall be subject to the repayment provisions of section 303a(e) of this title.

(g) REGULATIONS.—The Secretaries concerned shall prescribe regulations to carry out this section. Regulations prescribed by the Secretary of a military department under this subsection shall be subject to the approval of the Secretary of Defense.

(h) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2009.

(Added and amended Pub. L. 109-163, div. A, title VI, §§641(a), 687(b)(35), Jan. 6, 2006, 119 Stat. 3304, 3333; Pub. L. 109-364, div. A, title VI, §§614(h), 620(a), Oct. 17, 2006, 120 Stat. 2249, 2252.)

AMENDMENTS

2006—Subsec. (d)(1). Pub. L. 109-364, §620(a), substituted “\$10,000” for “\$2,500”.

Subsec. (f). Pub. L. 109-163, §687(b)(35), amended heading and text of subsec. (f) generally. Prior to amendment, text read as follows:

“(1) A member who is paid a bonus under an agreement under this section and who, voluntarily or because of misconduct, fails to serve for the period covered by such agreement shall refund to the United States an amount which bears the same ratio to the amount of the bonus paid such member as the period which such member failed to serve bears to the total period for which the bonus was paid.

“(2) An obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

“(3) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of an agreement under this section does not discharge the person signing such agreement from a debt arising under paragraph (1).”

Subsec. (h). Pub. L. 109-364, §614(h), substituted “2009” for “2006”.

EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109-364, div. A, title VI, §620(b), Oct. 17, 2006, 120 Stat. 2252, provided that: “The amendment made by subsection (a) [amending this section] shall take effect on October 1, 2006, and shall apply to agreements entered into or revised under section 327 of title 37, United States Code, on or after that date.”

SAVINGS PROVISION

For savings provision relating to payment or repayment of any bonus, incentive pay, special pay, or simi-